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County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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*Hammond*

June 29, 2001

To: Supervisor Michael D. Antonovich, Mayor  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: David E. Janssen   
Chief Administrative Officer

Board of Supervisors

GLORIA MOLINA  
First District

YVONNE BRATHWAITE BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**QUARTERLY REPORT ON COMMUNITY REDEVELOPMENT AGENCY (CRA) ACTIVITY  
(2ND QUARTER 2001)**

In response to the increased level of CRA activity in the County and this office's augmented role in analyzing and scrutinizing these activities, we provided the Board with an initial "Quarterly Report on CRA Issues" on October 12, 2000. Attached is the latest Quarterly Report, covering activities during the second quarter of the calendar year. As we indicated in our initial report to the Board, this office works closely with the Auditor-Controller, County Counsel, and relevant Board offices in: analyzing and negotiating proposals by redevelopment agencies to amend existing redevelopment agreements; reviewing proposed new projects for compliance with redevelopment law, particularly blight findings and determining appropriate County response; and ensuring appropriate administration of agreements and projects.

The attached report reflects a summary of the following activities during the quarter:

- Notifications provided to the Board regarding new projects;
- Board letters/actions; and
- Major ongoing issues and other matters, including litigation.

Please let me know if you have any questions, or your staff can contact Robert Moran (213) 974-1130 or Jerry Ramirez (213) 974-4282 of this office.

DEJ:LS  
MKZ:JR:nl

Attachment

c: Executive Officer, Board of Supervisors  
County Counsel  
Auditor-Controller

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## COMMUNITY REDEVELOPMENT AGENCY (CRA) ISSUES

### Quarterly Report - 2nd Quarter 2001 - June 29, 2001

#### **New CRA Projects - Routine Notifications/Reports Provided to Board**

<b>CRA Project Name</b>	<b>District</b>	<b>Type of Notification</b>	<b>Date Provided to Board</b>
Pico Union Redevelopment Project Area (City of Los Angeles) * See page 3	First	Preliminary Report	4/23/01
Heart of the City Project (City of Redondo Beach)	Fourth	Notification of Preparation of Draft EIR	5/22/01
Chinatown Redevelopment Area (City of Los Angeles) * See page 3	First	Preliminary Report	6/18/01
Artesia Redevelopment Project Area (City of Artesia)	Fourth	Preliminary Report	6/19/01
First Amendment to Redevelopment Project No 4. (City of Commerce) * See page 2	First	Preliminary Report	6/25/01
Amendment No. 5 to the Central Redevelopment Project (City of Arcadia) * See page 2	Fifth	Notification of Preliminary Report	6/29/01

#### **Board Letters/Actions During Quarter**

None.

**Major Ongoing or Emergent CRA Issues**

**Arcadia (5th District)**

- Issue: Agency has proposed redevelopment amendment that does not appear to meet blighting requirements. Board Order instructed CAO to hire consultant to review amendment and explore opportunities for joint City/County economic activities in both the City and adjacent unincorporated areas.
- Status: County consultant has concluded that proposed amendment does not meet blighting requirements. CAO staff has informed Arcadia that County will submit written opposition to amendment consistent with July 3, 2001 public hearing. Also, CAO staff has informed Arcadia that County will work with them on developing a City/County economic development strategy for the subject Las Tunas Commercial Corridor.

**Avalon (4th District)**

- Issue: The Agency and County dispute the method of calculating the project cap. Negotiations on amending the current agreement to resolve the dispute and address existing Agency needs are ongoing.
- Status: CAO has developed a response to the Agency's latest proposal which resolves the cap calculation issue and meets the Agency's infrastructure needs without significant fiscal impact on the County. CAO is working with 4th District and the Agency to develop an agreeable solution.

**Commerce (1st District)**

- Issue: Agency has proposed an amendment adding approximately 80 acres to an existing redevelopment project. CAO staff conducted an initial analysis of the proposal and concluded that elements appear not to meet blight requirements consistent with redevelopment law.
- Status: CAO has shared concerns with Agency. Agency has informed County that they plan to recommend that the City Council return the plan to the Planning Commission to revise the proposed amendment to conform to redevelopment law. CAO will continue to monitor proposed amendment.

**Covina Charter Oak Park Transfer (5th District)**

- Issue: The City of Covina is interested in assuming ownership and control of Charter Oak Park, located in an unincorporated pocket adjacent to the City of Covina. In exchange, Covina is requesting a deferral of a portion of the County share of tax increment in order to issue additional debt on an existing redevelopment project.
- Status: Amendment language has been drafted. CAO staff reviewing appropriate timing of amendment and annexation actions.

### **Los Angeles-Chinatown (1st District)**

- Issue: Agency proposing to amend the Chinatown project by increasing the lifetime cap and extending time limits. Clause in the 1980 City/County Tax Allocation Agreement requires the Agency to "negotiate in good faith" with the County regarding any amendments.
- Status: CAO filed an objection to the project, and the Agency continued the June 19 public hearing until September 19 to address County concerns. CAO staff will conduct a detailed analysis of the blighting conditions in the project area and work with the City to resolve issues.

### **Los Angeles-Pico Union (1st District)**

- Issue: Agency proposed amending the Pico Union project by increasing the lifetime cap and extending time limits.
- Status: CAO staff concluded that the Agency had adequately identified blighting conditions in the project area to justify the extension of the project. Agency proceeding with the amendment.

### **Monrovia (5th District)**

- Issue: Agency sought County support for a proposal to add area to existing project. CAO analysis concluded that the proposed areas do not meet criteria for blight as set forth in law.
- Status: CAO staff advised Agency that County cannot support proposal and would consider challenging it if they go forward. City consultant indicates they are still exploring redevelopment alternatives for the proposed project.

### **Temple City (5th District)**

- Issue: Agency was proposing the Proposed Las Tunas Redevelopment Project. CAO staff had concerns regarding lack of blight for project area.
- Status: Due to neighborhood opposition to project, Temple City Council canceled the project.

## **Litigation**

### **City of Los Angeles "Administrative Fee Lawsuit"**

- Issue: In 1998, the City of Los Angeles Community Redevelopment Agency sued the County claiming that the Auditor-Controller erroneously deducted property tax administration fees from the payout of tax increment.
- Status: County prevailed at lower Court level. The Appellate Court recently upheld the lower Court decision, validating the Auditor-Controller's action. We anticipate the Agency will seek review in the California Supreme Court.

## **Other CRA Matters**

### **Legislation Tracking**

- Issue: According to the County State Legislative policy: "Support legislation which continues or extends the redevelopment law reforms accomplished in AB 1290 (Isenberg), and oppose any redevelopment legislation which would cause the County to lose revenues or which would limit or repeal provisions of AB 1290."
- Status: County is in opposition of SB 211 (Torlakson), which would extend or eliminate an important time limit contained in AB 1290.

### **CRA Policy**

- Issue: CAO staff have observed a significant upswing in redevelopment activity in the County; many redevelopment proposals appear to be inconsistent with redevelopment law and have the potential for causing significant adverse impact on County revenues. The CAO has accordingly increased its efforts in monitoring and seeking to address/resolve any identified issues with regard to these proposals.
- Status: The CAO is developing a proposed policy for Board approval to provide greater clarity and consistency with regard this office's posture and procedures for addressing redevelopment issues in the County's cities.

## **Overall CRA Statistics**

Existing CRA Projects	290
Pending CRA Projects	21